

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Moab Field Office 82 East Dogwood Moab, Utah 84532



IN REPLY REFER TO: 3809 (UTY012) UTU-88214

TO: Interested Parties

Date: December 21, 2010

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DEC 27 2010

FROM: US Bureau of Land Management Moab Field Office

DIV. OF OIL, GAS & MINING

RE: Notice of Availability and Request for Comments: La Sal Mines Complex Plan of Operations Amendment Environmental Assessment

The Bureau of Land Management (BLM) Moab Field Office, and the U.S. Forest Service, Manti-La Sal National Forest, Moab/Monticello District (Forest Service) solicit your written comments, including resource information, regarding the La Sal Mines Complex Plan of Operations Amendment (POA) as submitted by Denison Mines (USA) Corp. The BLM is preparing an environmental assessment to analyze the impacts of this proposal.

Information regarding the proposed action is enclosed. The Plan of Operations Amendment is available for public review and comment at the BLM office in Moab, Utah, and at the FS office in Monticello, Utah. Public comments should be submitted in writing by mail to the BLM Moab Field Office located at 82 E. Dogwood Avenue in Moab, Utah or via email at: UT_Moab_Comments@blm.gov.

For additional information, please contact Rebecca Doolittle with the BLM at (435) 259-2141, or Joel Nowak with the Forest Service at (435) 636-3364.

The table below lists the locations where hardcopies of the POA are available for review. The POA is also available electronically through the website listed below: http://www.blm.gov/ut/st/en/fo/moab.html

The POA is available for review during normal working hours at the locations listed below.

US Bureau of Land Management Moab Field Office 82 E Dogwood Avenue Moab, UT 84532 Phone: (435) 259-2127 Grand County Public Library

257 East Center Street Moab, UT 84532

Phone: (435)259-1111

La Sal Store Highway 46 La Sal, Utah 84530

Phone: (435) 686-2225

US Forest Service

Moab/Monticello Ranger District 432 E Center Street

Monticello, UT 84535 Phone: (435) 636-3364

San Juan County Library/Monticello

Branch

80 North Main Street Monticello, UT 84535 Phone: (435) 587-2281

La Sal Mines Complex Plan of Operations Amendment San Juan County, Utah

US Department of Interior Bureau of Land Management Moab Field Office

DEC 27 2010

DIV. OF OIL, GAS & MINING

US Department of Agriculture Forest Service Manti-La Sal National Forest

Request for Public Involvement

December 2010

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Introduction

The Bureau of Land Management (BLM) and the Forest Service (FS) are conducting an Environmental Assessment (EA) of proposed activities associated with uranium mining near La Sal, Utah. Denison Mines (USA) Corporation (the proponent) has submitted a Plan of Operations amendment for their existing operations. This amendment would provide for additional disturbance of BLM and Forest System land, and combine several existing Plans of Operations into one document. The Plan of Operations amendment must be approved by BLM and FS prior to commencement of the proposed activities.

Solicitation of public involvement during scoping is an initial and critical step in National Environmental Protection Act (NEPA) analysis of the proposed activities. You are encouraged to provide comments on this proposal. Public involvement at this initial phase of the NEPA process is used to scope the EA. This scoping process is required by federal regulations and it is used to determine key issues and alternatives that will be analyzed in the EA.

Project Area

The La Sal Mines Complex consists of four existing underground mines: the Pandora Mine, the La Sal Mine, the Beaver Shaft Mine, and the Snowball Mine. The La Sal Mines Complex is part of a series of underground uranium mines that were previously operated by Atlas Minerals Corporation and Umetco Minerals Corporation. The complex has been in operation since the 1970's. The level of mining activity at the complex has varied since 1970 in relation to changing economic conditions.

Ore is mined underground from a network of subsurface tunnels. Ore is then hauled to the surface, and is loaded into trucks for transport to a mineral processing mill located near Blanding, Utah. Therefore, no mineral processing chemicals or mill tailings are present at the La Sal mines complex. Surface disturbance associated with the mining operation includes:

- Ventilation shafts, which are vertical bore holes that allow air to enter or exhaust from the underground tunnels;
- Buildings and other ancillary infrastructure necessary to support the underground mines;
- Development rock storage areas, which contain rock that must be excavated to reach ore within the underground mine.

The La Sal Mines Complex is located on a mixture of federal lands managed by either BLM or FS, and private and state lands not subject to BLM or FS regulatory jurisdiction. The mine is also regulated by the State of Utah, which has regulatory jurisdiction that applies to federal, state and private property.

Purpose of and Need for Action

The need for this action is to allow the proponent to exercise their rights under U.S. mining laws while protecting the environment in accordance with BLM and FS regulations for locatable minerals. The proponent has a right to mine on federal lands at the La Sal Complex set forth by the General Mining Law of 1872 as amended. These laws provide that the proponent has a statutory right to conduct prospecting, exploration, development and production activities, provided they are reasonably incident to mining and comply with other federal laws (1955 Multiple Use Mining Act and case law). The proponent must comply with BLM and FS regulations for locatable mineral operations.

The purpose of the action is similar for BLM and FS, but the agencies have different regulations which govern locatable minerals development. Both BLM and FS have the responsibility to protect surface resources of public lands that they manage, and to conduct appropriate environmental analyses as required by NEPA prior to approving the Plan of Operations.

BLM Purpose for Action

BLMs purpose for the action is to prevent unnecessary or undue degradation of BLM lands in accordance with the Federal Land Policy and Management Act of 1976 and BLM mining regulations. BLM regulations for locatable minerals are set forth at Title 43 of the Code of Federal Regulations Subpart 3809 (43 CFR 3809). These regulations apply only to mining activities conducted on BLM managed lands. BLM must review the proposed Plan of Operations to determine if it meets content requirements set forth at 43 CFR 3809.401. BLM must also evaluate if the proposed project complies with environmental performance standards of 43 CFR 3809.420, and determine whether the proposed project would cause unnecessary or undue degradation of public lands. BLM may approve the Plan of Operations as submitted, approve the Plan of Operations subject to changes or conditions to meet the performance standards of 43 CFR 3809.420, or disapprove the Plan of Operations. BLM may disapprove the Plan of Operations if it does not meet applicable content requirements, proposes operations on lands withdrawn from operation of mining laws, or proposes operations that would result in unnecessary or undue degradation of public lands.

Forest Service Purpose for Action

Similarly, the FS purpose for the action is to protect FS surface resources in accordance with FS mining regulations at 36 CFR 228 Subpart A. These regulations apply only to lands managed by FS. Mining regulations state that "operations shall be conducted so as, where feasible, to minimize adverse environmental effects on National Forest System surface resources (36 CFR 228.8)" provided such regulation does not endanger or materially interfere with prospecting, mining, or processing operations or reasonably incidental uses (1955 Multiple Use Mining Act and case law). The Plan of Operation must detail the steps the operator will take to mitigate adverse environmental impacts to surface resources on Forest System land. FS has

authority to approve the Plan of Operations or require modifications to the Plan of Operations prior to approval.

Proposed Action

The Proposed Action is to approve the Plan of Operations amendment as submitted by the proponent. The amendment was submitted to BLM and FS in December 2010 in accordance with the proponent's rights under the General Mining Law of 1872 and BLM and FS mining regulations. Alternative actions will also be considered. These alternative actions will be developed based on the results of this and other scoping activities.

The proposed action would approve the following activities on public lands managed by BLM and FS at the La Sal Complex:

- Expansion of an existing development rock pile at the Pandora Mine;
- Temporary construction of drilling sites and access trails for exploration drilling;
- Installation of ventilation holes to provide for inflow and exhaust of air to support underground mining; and
- Compilation of activities previously approved by two existing BLM Plans of Operations, one FS Plan of Operations, and associated amendments into one Plan of Operations that will address the entire La Sal Mines Complex

The proposed Plan of Operations amendment includes expansion of an existing development rock pile at the Pandora Mine. This proposed expansion will affect approximately 6.5 acres of additional land at the Pandora Mine. Following the completion of mine operations, the rock pile is proposed to be reclaimed in place by re-grading the rock, providing for permanent surface water drainage control, placing topsoil as available, and revegetating.

Drilling sites and access roads are planned to support on-going exploration and development drilling activities. These activities are necessary to define the extent of uranium ore bodies at the La Sal Complex. This process is integral to the overall mining process, and is expected to be on-going from 2011 through 2030. The drilling process requires access for a truck-mounted drill rig and ancillary support vehicles, and construction of temporary drill sites. This is only required for the time that is required to drill and then plug the bore hole. Therefore, reclamation of disturbance caused by drilling activities is proposed to be conducted seasonally after drilling operations cease in an area. This will limit the disturbance to BLM and FS surface resources that would be present at any given time.

Up to 24 vent holes are proposed to be installed between 2011 through 2030 as required by the on-going mining operations. These holes are vertical shafts of approximately 6 feet diameter, which extend from the surface into the underground workings. The surface openings into the ventilation shafts will be secured with metal

protective structures during mining operations. Ventilation shafts will be reclaimed after mining ceases at the La Sal complex, by backfilling the shafts and sealing the surface opening.

Compilation of the previously approved Plans of Operations into one document is proposed to simplify regulation of the mine disturbance by BLM and FS, and to facilitate efficient environmental compliance by the proponent. This is an administrative task that does not require re-approval of previously approved components of the operation.

Planning Process

Solicitation of public involvement during scoping is an initial and critical step in NEPA analysis of the proposed action. The scoping process facilitates consideration of concerns, issues, and alternatives identified by the public, cooperating agencies, BLM and FS during the NEPA analysis. This part of project planning reduces the chance of overlooking an important issue or a reasonable alternative during completion of the EA. BLM and FS currently plan to consider issues related to air quality, surface water, groundwater, geology, soil, vegetation, wildlife, cultural, radiological, paleontological and socioeconomic resource areas. BLM and FS also plan to evaluate a range of alternatives. These include the Proposed Action and at least two alternative actions. The alternative actions would include a "no action" alternative that would not approve the Plan of Operations, and an alternative that would require modifications or stipulations to the Plan of Operations prior to approval. The "no action" alternative must be analyzed during the NEPA to provide a baseline for analysis of the other alternatives. The alternative requiring modifications or stipulations to the Plan of Operations prior to approval would be developed during the planning process based, in part, on results of public scoping. The purpose of this alternative is to provide for additional opportunities for surface resource protection based on results of the NEPA analysis.

The planning process for the proposed action will include the following:

- Listing of the proposed action on the BLM Environmental Notification Bulletin Board and FS internet sites
- Placing copies of the proposed Plan of Operations at the BLM internet site; the BLM Moab Field Office and Grand County Public Library in Moab, Utah; the FS Monticello Ranger District Office and San Juan County Public Library in Monticello, UT; and the La Sal Store, La Sal, Utah for public review
- Publishing legal notice in the San Juan Record, the Moab Times Independent, and the Price Sun Advocate newspapers regarding the availability of proposed Plan of Operations for public review
- Soliciting public involvement through this information mailer, which will be mailed to any individual or organization who has requested it, to those who have participated in previous project planning, and to other government agencies

- Conducting an open house meeting in La Sal, Utah
- Compiling and analyzing comments and identifying key issues for analysis in an EA
- Preparing the EA and draft decision document
- Publishing legal notice of the opportunity to comment on the proposed action in the San Juan Record, the Moab Times Independent, and the Price Sun Advocate newspapers
- Incorporating and addressing comments, and completing the final EA and decision document

Where to Get More Information

Additional information regarding the proposed action is available in the proposed Plan of Operations amendment submitted by the proponent, which is available for review at the BLM internet site (www.blm.gov/ut/st/en/fo/moab.html); the BLM Moab Field Office and Grand County Public Library in Moab, Utah; the FS Monticello District Office, and San Juan County Public Library in Monticello, UT; and the La Sal Store, La Sal, Utah.

For additional information, please contact the following BLM or FS personnel:

| BLM | FS |
|------------------------------------|--|
| Name: Ben Kniola | Name: Joel Nowak |
| Title: Natural Resource Specialist | Title: Natural Resource Specialist |
| Address: 82 E Dogwood Ave | Address: 432 E Center St, PO Box 820 |
| City, State, Zip: Moab, UT 84532 | City, State, Zip: Monticello, UT 84535 |
| Telephone: 435-259-2127 | Telephone: (435) 636-3364 |
| FAX: 435-259-2158 | FAX: 435-587-2637 |
| Email: Ben_Kniola@blm.gov | Email: joelnowak@fs.fed.us |
| | |

Public Meeting

An open house scoping meeting is planned to be held at the La Sal Community Center in La Sal, Utah, on January 13, 2011 at 7:30 p.m. Additional project information will be presented at that meeting including handouts, maps, and figures of the proposed action. In addition, technical staff will be present to answer questions regarding the proposed action. We invite you to attend and assist us further in our ongoing scoping activities for the EA.

Tell Us What You Think

We invite your assistance in the scoping process. Your comments will help BLM and FS develop a practical and meaningful analysis. All comments will be considered by BLM and FS in the planning process, and will become a part of the project record.

If you wish to withhold your name or street address from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety

Comments should be submitted by letter, email, fax or phone to the following address.

Ben Kniola Natural Resource Specialist 82 E Dogwood Ave Moab, UT 84532 Telephone: 435-259-2127 FAX: 435-259-2158

Email: UT_Moab_Comments@blm.gov

Comment Deadline

We request that you submit comments prior to January 31, 2011. This will provide for consideration of your comments in the EA scoping process.